

SECTION VI

FINANCIAL PROVISIONS

- 6.1 This MOU itself creates no financial commitments regarding individual PAs or any other activity. Detailed descriptions of the Financial and Non-financial provisions for a specific PA or other activity including each Participant's accepted cost share will be described and approved in that PA.
- 6.2 Each Participant will contribute its equitable share of the full Financial Costs and Non-financial Costs of the PA(s), including overhead costs, administrative costs, and costs of claims, and will receive an equitable share of the results of each PA as mutually determined by the Participants.
- 6.3 For each PA, the POs will be responsible for proposing and managing the detailed financial management procedures under which the PA will operate. These procedures, as required, will be detailed in a Financial Management Procedures Document (FMPD) proposed by the POs and agreed by the PMs.
- 6.4 The following costs will be borne entirely by the Participant incurring the costs or on whose behalf the costs are incurred:
 - 6.4.1 costs associated with national representation at meetings;
 - 6.4.2 costs associated with any unique national requirements identified by a Participant;
 - 6.4.3 any other costs not expressly stated as shared costs or any costs that are outside the scope of this MOU and its PAs.
- 6.5 Each Participant will perform, or have performed, its tasks and will use its best efforts to perform the tasks within the cost estimates specified in each PA. Each Participant will bear the full costs it incurs for performing, managing, and administering its own activities under this MOU and participation in each PA, including its share of the costs of any Contracts awarded pursuant to paragraph 6.11.
- 6.6 For PAs with shared costs that involve the establishment of a JPO with CPP assignments to the other PA Participant's facilities or the JPO, the PA will address the Financial and Non-financial contribution required for JPO administration and associated support services including, but not limited to, JPO costs of travel incurred in support of Project efforts, JPO training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

- 6.7 In addition to the shared costs of the JPO administration and associated support services costs described in paragraph 6.6, the cost of CPP in the JPO or assigned to the other Participant's facilities will be borne as follows:
 - 6.7.1 The Host Participant will bear the cost of all pay and allowances of host personnel in the JPO.
 - 6.7.2 The Parent Participant of the CPP will bear the following costs related to their CPP:
 - 6.7.2.1 all pay and allowances in accordance with their national arrangements;
 - 6.7.2.2 transportation of the CPP, the CPP's dependents, and their personal property to the place of assignment in the Host Participant's nation prior to the CPP's commencement of a tour of duty in the JPO or activity, and return transportation of the foregoing from the place of assignment in the Host Participant's nation upon completion or termination of the tour of duty;
 - 6.7.2.3 subject to availability, the Host Participant will provide CPP with messing and accommodation to the same standard as would be provided to its own personnel. CPP will bear the costs of messing and accommodation, and in addition to rent will bear any applicable incidental costs which are not included in rental rates such as heating, gas, water, power, garbage disposal, etc.
 - 6.7.2.4 compensation for loss of, or damage to, the personal property of CPP or the CPP's dependents, subject to the Parent Participant's laws and regulations;
 - 6.7.2.5 preparation and shipment of remains and funeral expenses in the event of the death of the CPP or the CPP's dependents; and
 - 6.7.2.6 all temporary duty costs, including travel costs, when such duty is carried out pursuant to a unique requirement of the Parent Participant.
- 6.8 For PAs that do not involve the establishment of a JPO, but do involve the assignment of one Participant's CPP to the facilities of another, the Participants will bear the costs as set forth in paragraph 6.7.2. The Host Participant will also be responsible for the following:
 - 6.8.1 all temporary duty costs, including travel costs in connection with the performance of any duty pursuant to a requirement of the Host Participant carried out in support of a PA or other activities governed by the MOU;
 - 6.8.2 costs incurred as a result of a change in location in work ordered by the Host Participant during the period of assignment;

- 6.8.3 administrative and support costs such as CPP-related training, office space, security services, information technology services, communications services, supplies, and use of facilities and equipment necessary for the performance of tasks assigned to the CPP.
- 6.9 A PA Participant will promptly notify the other PA Participant if available funds are not adequate to fulfill its obligations under a PA, or if it appears that the cost ceiling (or cost target) will be exceeded. The PA Participants will immediately consult with a view toward continuation on a modified basis. In the event that an understanding to continue on a modified basis cannot be reached by the PA Participants, the PA Participant having reduced or modified its funding will be deemed to have notified the other PA Participant of its intent to terminate the relevant PA, and the provisions of Section XX (Entry Into Effect, Duration, Amendment, and Termination) of this MOU will apply.
- 6.10 For PAs where a Participant contracts on behalf of the other Participant with the written authority of the other Participant, the POs will be responsible for proposing to the PM the detailed financial management procedures under which the PA will operate prior to the transfer of funds between the Participants. The procedures, which will accord with national accounting and audit requirements of the Participants, will be detailed in a FMPD. Each Participant will provide funds in the amounts and at the times planned in the estimated schedule for monetary contributions, as specified in the FMPD.
- 6.11 The Participants recognize that it may become necessary for one Participant, with the authority of the other Participant, to incur contractual or other responsibilities for the benefit of the other Participant prior to receipt of the other Participant's funds. In the event that one Participant incurs such responsibilities, the other Participant will make such funds available in such amounts and at such times as may be required by the Contract or other responsibility, and will pay any damages and costs that may accrue from the performance of or cancellation of the Contract or other responsibility where such performance or cancellation is done following prior consultation with the other Participant, in advance of the time such payments, damages, or costs are due.
- 6.12 Each Participant will be responsible for the audit of its activities or its Contractors' activities pursuant to a PA. A Participant's audits will be in accordance with its own national practices. For PAs where funds are transferred between the Participants, the receiving Participant will be responsible for the internal audit regarding administration of the other Participant's funds in accordance with the receiving Participant's national practices. Audit reports of such funds will be promptly made available by the receiving Participant to the other Participant.
- 6.13 The Participant hosting the JPO or Contracting on behalf of the Participants will be responsible for the audit of the procurement activities for which it is responsible under the Project in accordance with its national practices. The Host Participant

will be responsible for the internal audit regarding administration of the other Participant's Project funds in accordance with its national practices. Audit reports of such funds will be promptly made available by the Host Participant to the other Participant.

- 6.14 Where one Participant's national auditors need to obtain additional specific data or to inspect records to be able to fulfill their national obligations, the other Participant will facilitate access to such information. Any audit reports will be made available to the other Participant.

SECTION VII

CONTRACTING PROVISIONS

- 7.1 If a Participant determines that Contracting is necessary to fulfill that Participant's responsibilities under Section IV (Scope of Work) of this MOU, that Participant will contract in accordance with its respective national laws, regulations, and procedures with such waivers and deviations its procedures permit and as deemed necessary to implement the provisions of this MOU. Where such Contracts are placed by competition, sources from the Participants' industries will be allowed to compete on an equal basis for such Contracts.
- 7.2 When a Participant individually contracts to perform a task under this MOU, it will be solely responsible for its own Contracting, and the other Participant will not be subject to any liability arising from such Contracts, without its prior written consent.
- 7.3 Each Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Project Information required by Section X (Disclosure and Use of Project Information). Each Participant's Contracting Agency will insert into its prospective Contracts (and require its subcontractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOU, including Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), Section XIII (Security), Section XIV (Third Party Sales and Transfers), and Section XX (Entry into Effect, Duration, Amendment and Termination), including suitable provisions for ensuring compliance with the Participants' respective export control laws and implementing regulations. During the Contracting process, each Participant's Contracting Officer will advise prospective Contractors of their responsibility to immediately notify the Contracting Agency, before Contract award, if they are subject to any license or agreement that will restrict that Participants' freedom to disclose information or permit its use. The Contracting Officer will also advise prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.
- 7.4 In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Section X (Disclosure and Use of Project Information), or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of Project Information, that Participant's Contracting Agency will refer the matter to the PMs/JPO who will submit it to the SC for resolution.
- 7.5 The transfer of export-controlled information furnished by one Participant will be authorized by the Government of the furnishing Participant only to those Contractors of the other Participant who will limit the end use of the Information.

received for the sole purpose of furthering the purposes authorized under this MOU or applicable PA. The Participants will establish legal arrangements with their Contractors to ensure that their Contractors do not retransfer or otherwise use export-controlled information for any purpose other than authorized under this MOU or the applicable PA. Such legal arrangements will also provide that the Contractor will not re-transfer the export-controlled information to another Contractor without the Government of the furnishing Participant's consent.

- 7.6 Each Participant's PO will promptly advise the other Participant's PO of any cost growth, schedule delay, performance problems, or proposals to terminate any Contract for which its Contracting Agency is responsible.
- 7.7 The Contracting Officer will ensure that the PMs are provided with sufficient information concerning the Contract and its execution to enable them to fulfill their relevant responsibilities. The Contracting Participant's Contracting Officer will be the exclusive source for providing contractual direction and instructions to Contractors.
- 7.8 Normal Contract administration services support (such as audit, quality assurance, pricing or cost investigations) will be provided in accordance with the Memorandum of Understanding between the Government of the United States of America and the Government of the United Kingdom Relating to the Principles Governing Cooperation in Research and Development, Production, Procurement, and Logistics Support of Defence Equipment, dated 13 December 1994, or any successor thereto or other existing arrangements between the Participants.
- 7.9 If the Participants determine that it is necessary under a PA that one Participant contract on behalf of the other Participant for tasks under that PA, the Participant will contract in accordance with its respective national laws, regulations, and procedures. Such contractual arrangements will be detailed in the particular PA. Where such Contracts are placed by competition, sources from the Participants' industries will be allowed to compete on an equal basis for such Contracts. The Contracting Officer will be the exclusive source for providing contractual direction and instructions to Contractors. The POs will be responsible for the coordination of activities relating to this MOU and its PAs and will cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, and Contract award. The Contracting Officer will also keep the POs advised of all financial arrangements with Contractors.
- 7.10 Upon mutual consent, consistent with Section III (Objectives), a Participant may contract for the unique national requirements of the other Participant.

SECTION VIII

WORK SHARING

- 8.1 No requirement will be imposed on any Participant for work sharing or other industrial or commercial compensation in connection with this MOU that is not in accordance with this MOU.

SECTION IX

EQUIPMENT AND MATERIAL TRANSFERS

- 9.1 For the purpose of carrying out a PA, each Participant may transfer, without charge to the other Participant, such Equipment and Material identified in a PA as being necessary. Such a PA will provide specific details of any transfer of Equipment and Material. Equipment and Material will remain the property of the providing Participant. Equipment and Material identified at the time of PA signature will be detailed in the PA as set out in Annex A. Approval for all transfers will be in accordance with national procedures.
- 9.2 For transfers of Equipment and Material not documented in a PA, each Participant may transfer, without charge to the other Participant, Equipment and Material to be documented using the model at Annex C (E&MT Form). While such transfers will be based on the principle of reciprocity, exact item for item exchanges are not required. Approval for all transfers will be in accordance with national procedures.
- 9.3 The POs will maintain a list of all Equipment and Material transferred pursuant to a PA or E&MT Form. All Project Equipment that is transferred will be used by the receiving Participant only for the purposes of carrying out this MOU, unless otherwise consented to in writing by the providing Participant. In addition, in accordance with Section XIII (Third Party Sales and Transfers) Project Equipment will not be re-transferred to a Third Party without the prior written consent of the providing Participant.
- 9.4 Equipment and Material transferred will be used by the receiving Participant only for the purposes of this MOU. Equipment and Material will remain the property of the providing Participant. In addition, the receiving Participant will maintain the Equipment and Material in good order, repair, and operable condition. Unless the providing Participant has consented that the transferred Equipment and Material may be expended or otherwise consumed without reimbursement to the providing Participant, the receiving Participant will return the Equipment and Material to the providing Participant in as good condition as received, reasonable wear and tear excepted, or return the Equipment and Material and pay the cost to restore the Equipment and Material to such condition. If the Equipment and Material is damaged beyond economical repair, the receiving Participant will return the Equipment and Material to the providing Participant (unless otherwise specified in writing by the providing Participant) and pay the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If the Equipment and Material is lost or stolen while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss to the providing Participant and pay the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If known at the time of entry into effect, the replacement value of the Project Equipment will be specified in the PA and E&MT form. When appropriate, the providing and receiving Participants may

specify that in no case will any payment respecting damage or loss exceed the amount indicated in the applicable PA or E&MT Form.

- 9.5 The providing Participant will make every effort to ensure that the Equipment and Material is furnished in a serviceable and usable condition according to its intended purpose. However, the providing Participant makes no warranty or guarantee of fitness of the Equipment and Material for a particular purpose or use, and makes no commitment to alter, improve, or adapt the Equipment and Material, or any part thereof.
- 9.6 The providing Participant will transfer the Equipment and Material for the approved period, unless extended by written amendment, provided that the duration will not exceed the effective period of the PA or E&MT Form.
- 9.7 The providing Participant, at its expense, will deliver the Equipment and Material to the receiving Participant at the location mutually approved. Responsibility for Equipment and Material will pass from the providing Participant to the receiving Participant at time of receipt. Any further transportation is the responsibility of the receiving Participant.
- 9.8 The providing Participant will furnish the receiving Participant such information as is necessary to enable the Equipment and Material to be used, maintained, and safely operated for its intended purposes.
- 9.9 The receiving Participant will inspect the Equipment and Material upon receipt. The receiving Participant will also inspect the Equipment and Material prior to its return (unless the Equipment and Material is to be expended or consumed).
- 9.10 Upon expiration or termination of the transfer period specified in a PA or E&MT Form (taking into account any extension), the receiving Participant will return the Equipment and Material, at its expense, to the providing Participant at the location mutually approved. Any further transportation will be the responsibility of the providing Participant.
- 9.11 The receiving Participant will provide written notice of consumption or expenditure of Equipment and Material approved for such consumption or expenditure. In the event the intended consumption or expenditure does not occur, the receiving Participant will, unless otherwise determined by the providing Participant, return the Equipment and Material, at its expense, to the providing Participant at the location mutually approved. Any further transportation will be the responsibility of the providing Participant.
- 9.12 The Participants will ensure, by all reasonable means, the protection of intellectual property rights in Equipment and Material.

- 9.13 Any Equipment and Material that is jointly acquired on behalf of the PA Participants for use under a PA will be disposed of as mutually approved by them.
- 9.14 Disposal of jointly acquired Equipment and Material may include a transfer of the interest of the PA Participants in such Equipment and Material to one Participant, or the sale of such Equipment and Material to a Third Party in accordance with Section XII (Third Party Sales and Transfers). The PA Participants will share the consideration from jointly acquired Equipment and Material transferred or sold to a Third Party in the same ratio as costs are shared under the relevant PA to this MOU.

SECTION X

DISCLOSURE AND USE OF PROJECT INFORMATION

10.1 The Participants may exchange Information under this MOU through the SC or their designated representatives for the purposes of understanding the Participants' respective LBS requirements, evaluation, and assessment with a view to identifying areas for cooperation, and for formulating, developing and negotiating the arrangements for any LBS Activity in accordance with Section IV (Scope of Work) of this MOU. The furnishing Participant will clearly indicate to the receiving Participant that it is furnishing Information for these purposes. The disclosure and use of information provisions which govern these Information exchange activities are as follows:

10.1.1 A Participant (including its Contractor Support Personnel) may only use the Information exchanged under this MOU for information and evaluation purposes and for conducting initial risk reduction and concept studies relating to the aims set out in Section III of this MOU. The specific prior written consent of the originating Participant is required for any other use or disclosure, including disclosure to Contractors.

10.1.2 A receiving Participant will ensure that Contractor Support Personnel or Contractors to whom it discloses Information received under this MOU are under a legally binding obligation not to further disclose such Information, or to use such Information for other than information and evaluation purposes, without prior written authorization.

10.1.3 No transfer of ownership of Information exchanged under this MOU will occur via the provisions thereof, and hence such Information will remain the property of the originating Participant or the holder of the proprietary rights. Transfer of such Information to Contractors will be consistent with each Participant's applicable respective export control laws and regulations.

10.1.4 The Participants may exchange Information under this MOU only where both of the following conditions are met:

10.1.4.1 Information may be exchanged without incurring a liability to holders of proprietary rights therein.

10.1.4.2 Disclosure of the Information is consistent with national disclosure policies and regulations of the originating Participant.

10.2 The Participants recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out this MOU. The Participants intend to acquire sufficient Project Information and rights to use such information to enable the design, development, production, deployment, maintenance, support, and disposal of LBS. The nature and amount of Project Information to be acquired will be consistent with the objectives stated in Section III (Objectives), Section IV (Scope of Work), and the PAs under this MOU.

10.3 Government Project Foreground Information.

10.3.1 Disclosure: Project Foreground Information generated by a Participant's military or civilian employees will be disclosed without charge to both Participants.

10.3.2 Use: Each Participant may use all Government Project Foreground Information without charge for Defense Purposes. The Participant generating Government Project Foreground Information will also retain its rights of use thereto. Any sale or other transfer to a Third Party will be subject to the provisions of Section XIV (Third Party Sales and Transfers) of this MOU.

10.4 Government Project Background Information.

10.4.1 Disclosure: Each Participant, upon request, will disclose to the other Participant any relevant Government Project Background Information generated by its military or civilian employees, provided that:

10.4.1.1 such Project Background Information is necessary to or useful in the Project, with the Participant in possession of the information determining whether it is "necessary to" or "useful in" the Project;

10.4.1.2 such Project Background Information may be made available without incurring liability to holders of proprietary rights;

10.4.1.3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant; and

10.4.1.4 any disclosure or transfer of such Government Project Background Information to Contractors is consistent with the furnishing Participant's export control laws and regulations.

10.4.2 Use: Government Project Background Information disclosed by one Participant to the other may be used without charge by the other Participant for Project Purposes only. However, the furnishing Participant will retain all its rights with respect to such Project Background Information.

10.5 Contractor Project Foreground Information.

10.5.1 Disclosure: Project Foreground Information generated and delivered by Contractors, will be disclosed without charge to both Participants.

10.5.2 Use: Each Participant may use without charge for Defense Purposes, all Contractor Project Foreground Information generated and delivered by Contractors of the other Participant. The Participant whose Contractors generate and deliver Contractor Project Foreground Information will also retain rights of use thereto in accordance with the applicable Contract(s). Any sale or other transfer to a Third Party of Contractor Project Foreground Information will be subject to the provisions of Section XIV (Third Party Sales and Transfers) of the MOU.

10.6 Contractor Project Background Information.

10.6.1 Disclosure: Any Project Background Information, (including information subject to proprietary rights) generated and delivered by Contractors will be made available to the other Participant provided the following provisions are met:

10.6.1.1 such Project Background Information is necessary to or useful in the Project, with the Participant in possession of the information determining whether it is "necessary to" or "useful in" the Project;

10.6.1.2 such Project Background Information may be made available without incurring liability to holders of proprietary rights;

10.6.1.3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant; and

10.6.1.4 Any disclosure or transfer of such Contractor Project Background Information to Contractors is consistent with the furnishing Participant's export control laws and regulations.

10.6.2 Use: Project Background Information furnished by one Participant's Contractors and disclosed to the other Participant may be used without charge by the other Participant for Project Purposes only, and may be subject to further restrictions by holders of proprietary rights. Additional restrictions required by the furnishing Participant may be included in specific PAs. However, the furnishing Participant will retain all its rights with respect to such Project Background Information.

10.7 Alternative Uses of Project Information

- 10.7.1 Any Project Background Information provided by one Participant will be used by the other Participant only for the purposes set forth in this MOU, unless otherwise consented to in writing by the providing Participant.
- 10.7.2 The prior written consent of the disclosing Participant will be required for the use of Project Foreground Information by the receiving Participant for purposes other than those provided for in this MOU.
- 10.8 Proprietary Project Information.
 - 10.8.1 All Project Information subject to proprietary interests will be identified and marked, and it will be handled in accordance with Section XI (Controlled Unclassified Information) and Section XIII (Security), as appropriate.
 - 10.8.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, signed at Brussels on 19 October 1970, and the Implementing Procedures for NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on 1 January 1971, will apply to proprietary Project Information related to this MOU.
- 10.9 Patents
 - 10.9.1 Each Participant will include in all its Contracts a provision governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto, which either:
 - 10.9.1.1 Provides that the Participant will hold title to all Project Inventions together with the right to make Patent applications for the same, free of encumbrance from the Contractor; or
 - 10.9.1.2 Provides that the Contractor will hold title (or may elect to retain title) for Project Inventions together with the right to make Patent applications for the same, while securing for the Participants a license for the Project Inventions, and any Patents thereto, on terms in compliance with the provisions of paragraph 10.9.4 below.
 - 10.9.2 In the event that a Contractor holds title (or elects to retain title) for a Project Invention, the Contracting Participant will secure for the other Participant a non-exclusive, irrevocable, royalty-free license under all Patents secured for that invention, to practice or have practiced the patented Project Invention for Defense Purposes throughout the world unless otherwise specified in a PA.

- 10.9.3 The provisions of subparagraphs 10.9.4 through 10.9.7 below will apply in regard to Patent rights for all Project Inventions made by either Participant's military or civilian employees, including those within Government-owned facilities, and for all Project Inventions made by Contractors for which the Contracting Participant holds title or is entitled to acquire title.
- 10.9.4 Where a Participant owns title to a Project Invention, or has the right to receive title to a Project Invention, that Participant will consult with the other Participant regarding the filing of a Patent application for such Project Invention. The Participant which has or receives title to such Project Invention will, in other countries, file, cause to be filed, or provide the other Participant with the opportunity to file on behalf of the Participant holding title, or its Contractors, as appropriate, Patent applications covering that Project Invention. If a Participant having filed or caused to be filed a Patent application decides to stop prosecution of the application, that Participant will notify the other Participant of that decision and permit the other Participant to continue the prosecution.
- 10.9.5 The other Participant will be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 10.9.6 The other Participant will acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the Participant, throughout the world for Defense Purposes, any Project Invention.
- 10.9.7 Patent applications to be filed under this MOU which contain Classified Information will be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made, signed in Paris on 21 September 1960, and its Implementing Procedures.
- 10.9.8 Each Participant will notify the other Participant of any Patent infringement claims made in its territory arising in the course of work performed under a PA. Insofar as possible, the other Participant will provide information available to it that may assist in defending the claim. Each Participant will be responsible for handling all Patent infringement claims made in its territory, and will consult with the other Participant during the handling, and prior to any settlement, of such claims. The Participants will share in the costs of resolving Patent infringement claims in the same percentage as they share the full Financial and Non-financial Costs (taking account of each Participant's respective production off-take where relevant) of the Project or mutually consent to alternative arrangement. The Participants will, in accordance with their national laws and practices, give their authorization and consent for all use and manufacture in the course of work performed

under the Project of any invention covered by a Patent issued by their respective countries.

SECTION XI

CONTROLLED UNCLASSIFIED INFORMATION

- 11.1 Except as otherwise provided in this MOU or as authorized in writing by the originating Participant, Controlled Unclassified Information provided or generated pursuant to this MOU will be controlled as follows:
 - 11.1.1 Such information will be used only for the purposes authorized for use of Project Information as specified in Section X (Disclosure and Use of Project Information).
 - 11.1.2 Access to such information will be limited to personnel for whom access is necessary for the permitted use under subparagraph 11.1.1 and will be subject to the provisions of Section XIV (Third Party Sales and Transfers).
 - 11.1.3 Each Participant will take all lawful steps, which may include national classification, available to it to keep such information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 11.1.2, unless the originating Participant consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the information may have to be further disclosed under any legislative provisions, immediate notification will be given to the originating Participant.
- 11.2 To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked. The Participants will decide, in advance and in writing, on the markings to be placed on the Controlled Unclassified Information. The appropriate markings will be defined in the Project Security Instructions.
- 11.3 Controlled Unclassified Information provided or generated pursuant to this MOU will be handled in a manner that ensures control as provided for in paragraph 11.1.
- 11.4 Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Participants will ensure the Contractors are legally bound to control such information in accordance with the provisions of this MOU.

SECTION XII

VISITS TO ESTABLISHMENTS

- 12.1 Each Participant will permit visits to its government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Participant or by employees of the other Participant's Contractor(s), provided that the visit is authorized by the sending and receiving Participants and the employees have any necessary and appropriate security clearances and need-to-know.
- 12.2 All visiting personnel will be required to comply with security regulations of the hosting Participant. Any Information disclosed or made available to visitors will be treated as if supplied to the Participant sponsoring the visiting personnel, and will be subject to the provisions of this MOU.
- 12.3 Requests for visits by personnel of one Participant to a facility of the other Participant will be coordinated through official channels, and will conform with the established visit procedures of the Host Participant. Requests for visits will bear the name of the Project.
- 12.4 Lists of personnel of each Participant required to visit, on a continuing basis, facilities of another Participant will be submitted through official channels in accordance with recurring international visit procedures.